

PSC NO: 1 GAS LEAF: 159.1.4  
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0  
 INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION:  
 STAMPS: Issued in compliance with Orders in Case 06-G-1186 dated 01/19/10 and 10/18/11

SERVICE CLASSIFICATION NO. 8  
 Seller Service (continued)

Daily Balancing Program (continued)

c) If the Monthly Imbalance Percentage is outside the +/-5% Level then:

1. If the Seller has a positive monthly imbalance that exceeds 5% then:

The Seller's positive daily imbalance quantity shall be credited to the Seller at the following average cash out prices for the month:

>5% to 10%	95% of the Monthly Cash Out Price in a) above.
>10% to 15%	90% of the Monthly Cash Out Price in a) above.
>15% to 20%	80% of the Monthly Cash Out Price in a) above.
>20%	50% of the Monthly Cash Out Price in a) above.

2. If the Seller has a negative monthly imbalance that exceeds 5% then:

The Seller's negative daily imbalance quantity will be purchased by the Seller at the following average daily cash out prices for the month:

>-5% to -10%	105% of the Monthly Cash Out Price in a) above.
>-10% to -15%	110% of the Monthly Cash Out Price in a) above.
>-15% to -20%	120% of the Monthly Cash Out Price in a) above.
>-20%	150% of the Monthly Cash Out Price in a) above.

I. Mandatory Capacity Program

Sellers serving Customers taking service under SC 5 must participate in the Company's Mandatory Capacity Program subject to the terms and conditions of this Service Classification and the Company's GTOP Manual. Sellers serving customers taking service under SC 7 and 13 are not eligible to participate in the Company's Mandatory Capacity Program. The Mandatory Capacity Program consists of three capacity tiers: 1) Tier 1 - Capacity Release; 2) Tier 2 - Bundled Winter Sales Service and 3) Tier 3 - Virtual Storage Service.

Issued by: David B. Doxsee, Chief Financial Officer and Treasurer, Hicksville, NY